

**House Study Bill 110 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT OF  
HUMAN SERVICES BILL)

**A BILL FOR**

1 An Act relating to Medicaid program integrity, and providing  
2 penalties.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 10A.108, subsections 6 and 7, Code 2013,  
2 are amended to read as follows:

3 6. The department shall pay, from moneys appropriated to  
4 the department for this purpose, recording fees as provided  
5 in section 331.604, for the recording of the lien, ~~or for~~  
6 ~~satisfaction of the lien.~~

7 7. Upon payment of a debt for which the director has filed  
8 notice with a county recorder, the director shall ~~file a~~  
9 provide to the debtor a satisfaction of the debt. The debtor  
10 shall be responsible for filing the satisfaction of the debt  
11 with the recorder and the recorder shall enter the satisfaction  
12 on the notice on file in the recorder's office.

13 Sec. 2. Section 249A.2, Code 2013, is amended by adding the  
14 following new subsection:

15 NEW SUBSECTION. 8A. "*Overpayment*" means any funds that  
16 a provider receives or retains under the medical assistance  
17 program to which the person, after applicable reconciliation,  
18 is not entitled. For purposes of repayment, an overpayment may  
19 include interest in accordance with section 249A.41.

20 Sec. 3. NEW SECTION. 249A.39 **Reporting of overpayment.**

21 1. A provider who has received an overpayment shall notify  
22 in writing, and return the overpayment to, the department,  
23 the department's agent, or the department's contractor, as  
24 appropriate. The notification shall include the reason for the  
25 return of the overpayment.

26 2. Notification and return of an overpayment under this  
27 section shall be provided by no later than the earlier of  
28 either of the following, as applicable:

29 a. The date which is sixty days after the date on which the  
30 overpayment was identified by the provider.

31 b. The date any corresponding cost report is due.

32 3. A violation of this section is a violation of chapter  
33 685.

34 Sec. 4. NEW SECTION. 249A.40 **Dissolved providers —**  
35 **overpayments or incorrect payments.**

1 Medical assistance paid to a provider following  
2 administrative dissolution of the provider pursuant to chapter  
3 490, division XIV, part B, shall be considered incorrectly paid  
4 for the purposes of section 249A.5 and the provider shall be  
5 considered to have received an overpayment for the purposes  
6 of this subchapter. Notwithstanding section 490.1422, or any  
7 other similar retroactive provision for reinstatement, the  
8 director shall recoup any medical assistance paid to a provider  
9 while the provider was dissolved. The principals of the  
10 provider shall be personally liable for the incorrect payment  
11 or overpayment.

12 Sec. 5. NEW SECTION. **249A.41 Overpayment — interest.**

13 1. Interest may be collected upon any overpayment  
14 determined to have been made and shall accrue at the rate and  
15 in the manner specified in this section.

16 2. Prior to the provision of a notice of overpayment to the  
17 provider pursuant to section 249A.30, interest shall accrue at  
18 the statutory rate for prejudgment interest applicable in civil  
19 actions.

20 3. After the provision of a notice of overpayment to the  
21 provider, interest shall accrue at the statutory rate for  
22 prejudgment interest applicable in civil actions plus five  
23 percent per annum, or the maximum legal rate, whichever is  
24 lower.

25 4. At the discretion of the director, interest on an  
26 overpayment may be waived in whole or in part when the  
27 department determines the imposition of interest would produce  
28 an unjust result, would unduly burden the provider, or would  
29 substantially delay the prompt and efficient resolution of an  
30 outstanding audit or investigation.

31 Sec. 6. NEW SECTION. **249A.42 Overpayment — limitations**  
32 **periods.**

33 1. An administrative action to recover an overpayment to a  
34 provider shall be commenced within ten years of the date the  
35 overpayment was incurred.

1     2. An administrative action to impose a sanction related  
2 to an overpayment to a provider shall be commenced within  
3 five years of the date the conduct underlying the sanction  
4 concluded, or the director discovered such conduct, whichever  
5 is later.

6     Sec. 7. NEW SECTION.   **249A.43 Provider overpayment — notice**  
7 **— judgment.**

8     1. Any overpayment to a provider under this chapter shall  
9 become a judgment against the provider, by operation of law,  
10 ninety days after the notice of overpayment is personally  
11 served upon the enrolled provider as required in the Iowa  
12 rules of civil procedure or by certified mail, return receipt  
13 requested, by the director or the attorney general. The  
14 judgment is entitled to full faith and credit in all states.

15     2. The notice of overpayment shall include the amount and  
16 cause of the overpayment, the provider's appeal rights, and a  
17 disclaimer that a judgment may be established if an appeal is  
18 not timely filed or if an appeal is filed and at the conclusion  
19 of the administrative process under chapter 17A a determination  
20 is made that there is an overpayment.

21     3. An affidavit of service of a notice of entry of judgment  
22 shall be made by first class mail at the address where the  
23 debtor was served with the notice of overpayment. Service is  
24 completed upon mailing as specified in this paragraph.

25     4. On or after the date an unpaid overpayment becomes a  
26 judgment by operation of law, the director or the attorney  
27 general may file all of the following with the district court:

28     *a.* A statement identifying, or a copy of, the notice of  
29 overpayment.

30     *b.* Proof of service of the notice of overpayment.

31     *c.* An affidavit of default, stating the full name,  
32 occupation, place of residence, and last known post office  
33 address of the debtor; the name and post office address of the  
34 department; the date or dates the overpayment was incurred;  
35 the program under which the debtor was overpaid; and the total

1 amount of the judgment.

2 5. Nothing in this section shall be construed to impede or  
3 restrict alternative methods of recovery of the overpayments  
4 specified in this section or of overpayments which do not meet  
5 the requirements of this section.

6 Sec. 8. NEW SECTION. **249A.44 Overpayment — emergency**  
7 **relief.**

8 1. Concurrently with a withholding of payment, the  
9 imposition of a sanction, or the institution of a criminal,  
10 civil, or administrative proceeding against a provider or  
11 other person for overpayment, the director or the attorney  
12 general may bring an action for a temporary restraining order  
13 or injunctive relief to prevent a provider or other person  
14 from whom recovery may be sought, from transferring property  
15 or otherwise taking action to protect the provider's or other  
16 person's business inconsistent with the recovery sought.

17 2. To obtain such relief, the director or the attorney  
18 general shall demonstrate all necessary requirements for the  
19 relief to be granted.

20 3. If an injunction is granted, the court may appoint a  
21 receiver to protect the property and business of the provider  
22 or other person from whom recovery may be sought. The court  
23 shall assess the costs of the receiver to the provider or other  
24 person.

25 4. The director or the attorney general may file a lis  
26 pendens on the property of the provider or other person  
27 during the pendency of a criminal, civil, or administrative  
28 proceeding.

29 5. When requested by the court, the director, or the  
30 attorney general, a provider or other person from whom recovery  
31 may be sought shall have an affirmative duty to fully disclose  
32 all property and liabilities to the requester.

33 6. An action brought under this section may be brought in  
34 the district court for Polk county or any other county in which  
35 a provider or other person from whom recovery may be sought has

1 its principal place of business or is domiciled.

2 Sec. 9. NEW SECTION. 249A.45 Provider's third-party  
3 submissions.

4 1. The department may refuse to accept a financial and  
5 statistical report, cost report, or any other submission  
6 from any third party acting under a provider's authority or  
7 direction to prepare or submit such documents or information,  
8 for good cause shown. For the purposes of this section,  
9 "good cause", includes but is not limited to a pattern or  
10 practice of submitting unallowable costs on cost reports;  
11 making a false statement or certification to the director or  
12 any representative of the department; professional negligence  
13 or other demonstrated lack of knowledge of the cost reporting  
14 process; conviction under a federal or state law relating to  
15 the operation of a publicly funded program; or submission of a  
16 false claim under chapter 685.

17 2. If the department refuses to accept a cost report  
18 from a third party for good cause under this section, the  
19 third party shall be strictly liable to the provider for all  
20 fees incurred in preparation of the cost report, as well as  
21 reasonable attorney fees and costs. The department shall not  
22 take any adverse action against a provider that results from  
23 the unintentional delay in the submission of a new cost report  
24 or other submission necessitated by the department's refusal to  
25 accept a cost report or other submission under this section.

26 Sec. 10. NEW SECTION. 249A.46 Liability of other persons  
27 — repayment of claims.

28 1. The department may require repayment of medical  
29 assistance paid from the person submitting an incorrect or  
30 improper claim, the person causing the claim to be submitted,  
31 or the person receiving payment for the claim.

32 2. The department may require repayment of medical  
33 assistance paid for inappropriate, improper, unnecessary,  
34 or excessive care, services, or supplies from the person  
35 furnishing the care, services, or supplies; the person

1 under whose supervision the care, services, or supplies  
2 were furnished; or the person causing the care, services, or  
3 supplies to be furnished. In such an instance, the department  
4 may recover the amount paid for such care, services, or  
5 supplies from the person ordering or prescribing the care,  
6 services, or supplies, even though payment was made to another  
7 person. Medical care, services, or supplies ordered or  
8 prescribed shall be considered excessive or not medically  
9 necessary unless the medical basis and specific need for the  
10 care, services, or supplies are fully and properly documented  
11 in the client's medical record.

12 3. Any person furnishing, or supervising the furnishing of,  
13 medical care, services, or supplies is jointly and severally  
14 liable for any overpayments resulting from the furnishing of  
15 the care, services, or supplies. The amount of repayment  
16 which may be recovered from any person under this section is  
17 the amount paid for furnishing the medical care, services, or  
18 supplies, plus the amount paid to any other person as a result  
19 of the person's ordering or prescribing medical care, services,  
20 or supplies, less any amount actually recovered from any other  
21 person which relates to the care, services, or supplies for  
22 which repayment is sought.

23 4. Nothing in this section shall be construed to impede or  
24 restrict alternative recovery methods for claims specified in  
25 this section or claims which do not meet the requirements of  
26 this section.

27 **Sec. 11. NEW SECTION. 249A.47 Improperly filed claims**  
28 **— other violations — imposition of monetary recovery and**  
29 **sanctions.**

30 1. In addition to any other remedies or penalties prescribed  
31 by law, including but not limited to those specified pursuant  
32 to section 249A.8 or chapter 685, all of the following shall be  
33 applicable to violations under the medical assistance program:

34 a. A person who knowingly presents or causes to be presented  
35 to the department a claim that the department determines meets

1 any of the following criteria is subject to a civil penalty of  
2 not more than ten thousand dollars for each item or service:

3 (1) A claim for medical or other items or services that  
4 the provider knows or should have known was not provided as  
5 claimed, including a claim by any provider who engages in a  
6 pattern or practice of presenting or causing to be presented  
7 a claim for an item or service that is based on a billing code  
8 that the provider knows or should have known will result in  
9 a greater payment to the provider than the billing code the  
10 provider knows or should have known is applicable to the item  
11 or service actually provided.

12 (2) A claim for medical or other items or services the  
13 provider knows or should have known to be false or fraudulent.

14 (3) A claim for a physician service or an item or service  
15 incident to a physician service by a person who knows or should  
16 have known that the individual who furnished or supervised the  
17 furnishing of the service meets any of the following:

18 (a) Was not licensed as a physician.

19 (b) Was licensed as a physician, but such license had been  
20 obtained through a misrepresentation of material fact.

21 (c) Represented to the patient at the time the service  
22 was furnished that the physician was certified in a medical  
23 specialty by a medical specialty board when the individual was  
24 not so certified.

25 (4) A claim for medical or other items or services furnished  
26 during a period in which the provider was excluded from  
27 providing such items or services.

28 (5) A claim for a pattern of medical or other items or  
29 services that a provider knows or should have known were not  
30 medically necessary.

31 *b.* A provider who knowingly presents or causes to be  
32 presented to any person a request for payment which is in  
33 violation of the terms of either of the following is subject to  
34 a civil penalty of not more than ten thousand dollars for each  
35 item or service:

1 (1) An agreement with the department or a requirement of a  
2 state plan under Tit. XIX or XXI of the federal Social Security  
3 Act not to charge a person for an item or service in excess of  
4 the amount permitted to be charged.

5 (2) An agreement to be a participating provider.

6 *c.* A provider who is not an organization, agency, or  
7 other entity, and knowing that the provider is excluded from  
8 participating in a program under Tit. XVIII, XIX, or XXI of the  
9 federal Social Security Act at the time of the exclusion, who  
10 does any of the following, is subject to a civil penalty of ten  
11 thousand dollars for each day that the prohibited relationship  
12 occurs:

13 (1) Retains a direct or indirect ownership or control  
14 interest in an entity that is participating in such programs,  
15 and knows or should have known of the action constituting the  
16 basis for the exclusion.

17 (2) Is an officer or managing employee of such an entity.

18 *d.* A provider who knowingly offers to or transfers  
19 remuneration to any individual eligible for benefits under Tit.  
20 XIX or XXI of the federal Social Security Act and who knows  
21 or should have known such offer or remuneration is likely to  
22 influence such individual to order or receive from a particular  
23 provider any item or service for which payment may be made, in  
24 whole or in part, under Tit. XIX or XXI of the federal Social  
25 Security Act, is subject to a civil penalty of not more than  
26 ten thousand dollars for each item or service.

27 *e.* A provider who knowingly arranges or contracts, by  
28 employment or otherwise, with an individual or entity that  
29 the provider knows or should have known is excluded from  
30 participation under Tit. XVIII, XIX, or XXI of the federal  
31 Social Security Act, for the provision of items or services for  
32 which payment may be made under such titles, is subject to a  
33 civil penalty of not more than ten thousand dollars for each  
34 item or service.

35 *f.* A provider who knowingly offers, pays, solicits, or

1 receives payment, directly or indirectly, to reduce or limit  
2 services provided to any individual eligible for benefits under  
3 Tit. XVIII, XIX, or XXI of the federal Social Security Act,  
4 is subject to a civil penalty of not more than fifty thousand  
5 dollars for each act.

6 *g.* A provider who knowingly makes, uses, or causes to  
7 be made or used, a false record or statement material to a  
8 false or fraudulent claim for payment for items and services  
9 furnished under Tit. XIX or XXI of the federal Social Security  
10 Act, is subject to a civil penalty of not more than fifty  
11 thousand dollars for each false record or statement.

12 *h.* A provider who knowingly fails to grant timely access,  
13 upon reasonable request, to the department for the purpose of  
14 audits, investigations, evaluations, or other functions of the  
15 department, is subject to a civil penalty of fifteen thousand  
16 dollars for each day of the failure.

17 *i.* A provider who knowingly makes or causes to be made any  
18 false statement, omission, or misrepresentation of a material  
19 fact in any application, bid, or contract to participate  
20 or enroll as a provider of services or a supplier under  
21 Tit. XVIII, XIX, or XXI of the federal Social Security Act,  
22 including a managed care organization or entity that applies  
23 to participate as a provider of services or supplier in such  
24 a managed care organization or plan, is subject to a civil  
25 penalty of fifty thousand dollars for each false statement,  
26 omission, or misrepresentation of a material fact.

27 *j.* A provider who knows of an overpayment and does not  
28 report and return the overpayment in accordance with section  
29 249A.41 is subject to a civil penalty of ten thousand dollars  
30 for each failure to report and return an overpayment.

31 2. In addition to the civil penalties prescribed under  
32 subsection 1, for any violation specified in subsection 1, a  
33 provider shall be subject to the following, as applicable:

34 *a.* For violations specified in subsection 1, paragraph  
35 "a", "b", "c", "d", "e", "g", "h", or "j", an assessment of not

1 more than three times the amount claimed for each such item or  
2 service in lieu of damages sustained by the department because  
3 of such claim.

4 *b.* For a violation specified in subsection 1, paragraph  
5 "f", damages of not more than three times the total amount of  
6 remuneration offered, paid, solicited, or received, without  
7 regard to whether a portion of such remuneration was offered,  
8 paid, solicited, or received for a lawful purpose.

9 *c.* For a violation specified in subsection 1, paragraph "i",  
10 an assessment of not more than three times the total amount  
11 claimed for each item or service for which payment was made  
12 based upon the application containing the false statement,  
13 omission, or misrepresentation of a material fact.

14 3. In determining the amount or scope of any penalty  
15 or assessment imposed pursuant to a violation specified in  
16 subsection 1, the director shall consider all of the following:

17 *a.* The nature of the claims and the circumstances under  
18 which they were presented.

19 *b.* The degree of culpability, history of prior offenses, and  
20 financial condition of the person against whom the penalties or  
21 assessments are levied.

22 *c.* Such other matters as justice may require.

23 4. Of any amount recovered arising out of a claim under Tit.  
24 XIX or XXI of the federal Social Security Act, the department  
25 shall receive the amount bearing the same proportion paid by  
26 the department for such claims, including any federal share  
27 that must be returned to the centers for Medicare and Medicaid  
28 services of the United States department of human services.  
29 The remainder of any amount recovered shall be deposited in the  
30 general fund of the state.

31 5. Civil penalties levied under this section are appealable  
32 under 441 IAC ch. 7, but, notwithstanding any provision to the  
33 contrary in that chapter, the appellant shall bear the burden  
34 to prove by clear and convincing evidence that the claim was  
35 not filed improperly.

1 6. For the purposes of this section, "claim" includes but is  
2 not limited to the submission of a cost report.

3 Sec. 12. NEW SECTION. 249A.48 **Costs.**

4 1. The department may seek recovery of investigative costs  
5 from any provider or other person who submits, or causes to  
6 be submitted, a claim for reimbursement for services the  
7 provider or other person knows or reasonably should have known  
8 would result in the incorrect payment of medical assistance.  
9 Investigative costs include but are not limited to the costs  
10 the department incurs in an audit and reasonable attorney fees.  
11 Investigative costs do not include billing errors that result  
12 in unintentional overcharges.

13 2. For the purposes of calculating a rate of payment for  
14 a provider, allowable costs shall not include professional  
15 fees, including but not limited to accountant or attorney  
16 fees, incurred by the provider relating to any proceeding or  
17 prospective proceeding relating to overpayment, sanction, or  
18 other medical assistance program integrity proceedings.

19 Sec. 13. NEW SECTION. 249A.49 **Temporary moratoria.**

20 1. The Iowa Medicaid enterprise shall impose a temporary  
21 moratorium on the enrollment of new providers or provider types  
22 identified by the centers for Medicare and Medicaid services of  
23 the United States department of health and human services as  
24 posing an increased risk to the medical assistance program.

25 a. This section shall not be interpreted to require the  
26 Iowa Medicaid enterprise to impose a moratorium if the Iowa  
27 Medicaid enterprise determines that imposition of a temporary  
28 moratorium would adversely affect access of recipients to  
29 medical assistance services.

30 b. If the Iowa Medicaid enterprise makes a determination  
31 as specified in paragraph "a", the Iowa Medicaid enterprise  
32 shall notify the centers for Medicare and Medicaid services of  
33 the United States department of health and human services in  
34 writing.

35 2. The Iowa Medicaid enterprise may impose a temporary

1 moratorium on the enrollment of new providers, or impose  
2 numerical caps or other limits that the Iowa Medicaid  
3 enterprise and the centers for Medicare and Medicaid services  
4 identify as having a significant potential for fraud, waste, or  
5 abuse.

6     *a.* Before implementing the moratorium, caps, or other  
7 limits, the Iowa Medicaid enterprise shall determine that its  
8 action would not adversely impact access by recipients to  
9 medical assistance services.

10     *b.* The Iowa Medicaid enterprise shall notify, in writing,  
11 the centers for Medicare and Medicaid services, if the Iowa  
12 Medicaid enterprise seeks to impose a moratorium under this  
13 subsection, including all of the details of the moratorium.  
14 The Iowa Medicaid enterprise shall receive approval from the  
15 centers for Medicare and Medicaid services prior to imposing a  
16 moratorium under this subsection.

17     3. *a.* The Iowa Medicaid enterprise shall impose any  
18 moratorium for an initial period of six months.

19     *b.* If the Iowa Medicaid enterprise determines that it  
20 is necessary, the Iowa Medicaid enterprise may extend the  
21 moratorium in six-month increments. Each time a moratorium  
22 is extended, the Iowa Medicaid enterprise shall document, in  
23 writing, the necessity for extending the moratorium.

24     Sec. 14. NEW SECTION. **249A.50 Internet site — providers**  
25 **found in violation of medical assistance program.**

26     1. The director shall maintain on the department's internet  
27 site, in a manner readily accessible by the public, all of the  
28 following:

29     *a.* A list of all providers that the department has  
30 terminated, suspended, placed on probation, or otherwise  
31 sanctioned.

32     *b.* A list of all providers that have failed to return an  
33 identified overpayment of medical assistance within the time  
34 frame specified in section 249A.41.

35     *c.* A list of all providers found liable for a false claims

1 law violation related to the medical assistance program under  
2 chapter 685.

3 2. The director shall take all appropriate measures to  
4 safeguard the protected health information, social security  
5 numbers, and other information of the individuals involved,  
6 which may be redacted or omitted as provided in rule of civil  
7 procedure 1.422. A provider shall not be included on the  
8 internet site until all administrative and judicial remedies  
9 relating to the violation have been exhausted.

10 Sec. 15. CODE EDITOR DIRECTIVES. The Code editor shall do  
11 all of the following:

12 1. Create a new subchapter in chapter 249A, entitled  
13 "Medical Assistance Eligibility and Miscellaneous Provisions",  
14 which shall include sections 249A.1 through 249A.4, section  
15 249A.4B, sections 249A.9 through 249A.13, sections 249A.15  
16 through 249A.18A, and sections 249A.20 through 249A.38,  
17 Code 2013. The Code editor may renumber sections within the  
18 subchapter and shall correct internal references as necessary.

19 2. Create a new subchapter in chapter 249A, entitled  
20 "Medical Assistance Program Integrity", which shall include  
21 sections 249A.39 through 249A.50, as enacted in this Act.

22 3. a. Transfer section 249A.4A, sections 249A.5 through  
23 249A.8, section 249A.14, and section 249A.19, Code 2013, to the  
24 new subchapter entitled "Medical Assistance Program Integrity".  
25 The Code editor shall renumber the transferred sections as  
26 follows:

27 (1) Section 249A.4A as section 249A.53.

28 (2) Section 249A.5 as section 249A.54.

29 (3) Section 249A.6 as section 249A.55.

30 (4) Section 249A.6A as section 249A.56.

31 (5) Section 249A.7 as section 249A.51.

32 (6) Section 249A.8 as section 249A.52.

33 (7) Section 249A.14 as section 249A.57.

34 (8) Section 249A.19 as section 249A.58.

35 b. The Code editor shall correct internal references as

1 necessary.

2

EXPLANATION

3 This bill relates to medical assistance (Medicaid) program  
4 integrity.

5 The bill amends Code section 10A.108, which provides that  
6 if a person refuses or neglects to repay benefits or provider  
7 payments inappropriately obtained from the department of human  
8 services (DHS), the amount inappropriately obtained constitutes  
9 a debt and is a lien in favor of the state upon all property  
10 belonging to the person. The bill provides that DHS is no  
11 longer responsible for paying the fee for recording of the  
12 satisfaction of the lien or the debt, but that this is the  
13 responsibility of the debtor.

14 The bill requires a provider who has received an overpayment  
15 to provide notification in writing and return the overpayment  
16 to the department, department's agent, or the department's  
17 contractor, as applicable. The notification and return of  
18 the overpayment are to be completed the earlier of 60 days  
19 after the date on which the overpayment was identified by the  
20 provider or the date any corresponding cost report is due,  
21 as applicable. Violation of this provision constitutes a  
22 violation of the false claims Act (Code chapter 685).

23 The bill provides that if a provider is administratively  
24 dissolved and receives payments following the dissolution,  
25 the payments are considered to be overpayments and to be  
26 incorrectly paid.

27 The bill provides for the accrual of interest on, and the  
28 rate of interest applicable to, overpayments.

29 The bill requires that an administrative action to recover  
30 an overpayment be commenced within 10 years of the date the  
31 overpayment occurred. An administrative action to impose  
32 a sanction on a provider related to an overpayment must be  
33 commenced within five years of the date the conduct underlying  
34 the sanction concluded, or the director of human services  
35 discovered such conduct, whichever is first.

1 The bill provides a process to establish a judgment by  
2 operation of law for any overpayment to a Medicaid provider  
3 90 days after the notice of overpayment is served upon the  
4 provider.

5 The bill provides for emergency relief relating to  
6 overpayments to Medicaid providers or others. The bill  
7 provides that the director of human services or the attorney  
8 general may bring an action for a temporary restraining order  
9 or injunctive relief to prevent a provider or other person from  
10 transferring property or otherwise taking actions to protect  
11 the provider's or other person's business inconsistent with the  
12 recovery being sought.

13 The bill authorizes DHS to refuse to accept financial and  
14 statistical reports, cost reports, and other submissions from  
15 third parties acting under the authority or direction of a  
16 provider for good cause, and defines "good cause". If DHS  
17 refuses to accept a submission from such a third party, the  
18 third party is strictly liable to the provider for all fees  
19 incurred, attorney fees, and other costs. The bill provides  
20 that DHS shall not take any adverse action against the provider  
21 under circumstance that result from any unintentional delay on  
22 the part of the provider in submitting a new submission.

23 The bill provides for repayment by persons other than the  
24 provider for improper payments including the person submitting  
25 an incorrect or improper claim, the person causing the claim  
26 to be submitted, or the person receiving payment for the  
27 claim. The bill also provides that DHS may require repayment  
28 for inappropriate, improper, unnecessary, or excessive care,  
29 services, or supplies from the person furnishing them, the  
30 person under whose supervision they were furnished, or the  
31 person causing them to be furnished. Any person furnishing,  
32 or supervising the furnishing of, medical care, services, or  
33 supplies is jointly and severally liable for any overpayments  
34 resulting from the furnishing of the care, services, or  
35 supplies.

1 The bill provides specific civil penalties and assessments  
2 or damages for improperly filed claims and other violations  
3 relating to improper reimbursement under the Medicaid program.

4 The bill authorizes the department to recover investigative  
5 costs from any provider or other person who submits, or causes  
6 to be submitted, a claim for reimbursement for services the  
7 provider or other person knows or reasonably should have known  
8 would result in the incorrect payment of medical assistance.  
9 The bill also provides that in calculating a rate of payment  
10 for a provider, allowable costs do not include professional  
11 fees incurred by the provider relating to any Medicaid program  
12 integrity proceeding.

13 The bill directs the Iowa Medicaid enterprise (IME) to  
14 impose temporary moratoria on enrollment of new providers or  
15 provider types identified by the centers for Medicare and  
16 Medicaid services of the United States department of health  
17 and human services (CMS) as posing an increased risk to the  
18 Medicaid program. The moratoria are not required if the IME  
19 determines that imposition of a temporary moratorium would  
20 adversely affect access of recipients to Medicaid services.  
21 However, if the IME makes such a determination, IME is to  
22 notify CMS in writing. The bill also authorizes IME to  
23 impose temporary moratoria on enrollment of new providers, or  
24 impose numerical caps or other limits that the IME and CMS  
25 identify as having a significant potential for fraud, waste,  
26 or abuse. Before implementing the moratoria, caps, or other  
27 limits, IME must determine that its action would not adversely  
28 impact access by recipients to Medicaid services, notify CMS  
29 in writing, and receive approval from CMS. Any moratorium is  
30 to be imposed for an initial period of six months and may then  
31 be extended in six-month increments. The necessity for any  
32 extension is to be documented in writing.

33 The bill requires the director of human services to maintain  
34 on the department's internet site, in a manner readily  
35 accessible by the public, lists of all providers that the

1 department has terminated, suspended, placed on probation, or  
2 otherwise sanctioned; all providers that have failed to return  
3 an identified overpayment; and all providers found liable for a  
4 false claims law violation related to Medicaid.

5 The bill provides for all Medicaid program integrity  
6 provisions to be codified in a new subchapter under Code  
7 chapter 249A (medical assistance), including the new provisions  
8 enacted in the bill and existing provisions under Code sections  
9 249A.4A (garnishment), 249A.5 (recovery of payment), 249A.6  
10 (assignment — lien), 249A.6A (restitution), 249A.7 (fraudulent  
11 practices — investigations and audits — Medicaid fraud fund),  
12 249A.8 (fraudulent practice), 249A.14 (county attorney to  
13 enforce), and 249A.19 (health care facilities — penalty).